

it was filtered through the New York banks so quickly into other parts of the country and into private hoards that the cash holdings of the national banks showed a loss of about \$42,000,000, and State banks and trust companies showed a net loss of \$19,000,000. The New York Clearing House banks shipped to the interior, from October 19 to December 7, \$106,921,700 in excess of their receipts of currency during the same period.¹

The heavy demands for gold converged chiefly upon London and caused the Bank of England to advance its discount rate three times within eight days—from 4½ to 5 per cent, on October 31 ; to 6 per cent, on November 4, and to 7 per cent, on November 7, the highest rate fixed at the bank since 1873. In Germany the bank rate was advanced, first, on October 29, from 5½ per cent, to 6¼ percent., and on November 8 to 7½ per cent. The Bank of France, also, in spite of its immense holdings of gold, advanced its rate to 4 per cent, and extended relief to the London market by discounting a quantity of short-term treasury bills.

For a moment there was serious talk of a direct arrangement with the Bank of France to send gold to New York. It was recalled that the French bank had repeatedly aided the London market in emergencies, advancing in the Baring crisis of 1890 as much as \$15,000,000 to the Bank of England. But the French bank, when approached in behalf of America, responded that, as there was no central institution in America like the Bank of England, it was disposed to deal only with the American Treasury. This the American government found inadmissible, and the project fell through; but the French bank parted with nearly \$16,000,000 in American eagles upon the security of French commercial paper.⁸

While pressure upon the banks was at its maximum, exchange between different cities became difficult by reason of

¹ Response of the Secretary of the Treasury to Senate Resolution of December 12, 1907, Senate Document 208, 60th Congress, 1st Session, 15.

² Yves Guyot, *La Crise Americaine*, in *Revue de Commerce de P Industrie et de la Banque*, December 31, 1907.